

☐ Presumption of Undue Hardship  
☒ No presumption of Undue Harship  
(Check box as directed in Part D: Debtor's Statement in Support of Reaffirmation Agreement.)

**UNITED STATES BANKRUPTCY COURT**  
**Northern District of Mississippi**

**In re Kenneth A. Downing and Pamela J. Downing, Debtors**

**Case No. 08-10015-DWH**  
**Chapter 7**

**REAFFIRMATION AGREEMENT**

*[Indicate all documents included in this filing by checking each applicable box.]*

☒ Part A: Disclosures, Instructions, and  
Notice to Debtor (Pages 1 - 5)  
☒ Part B: Reaffirmation Agreement

☒ Part C: Certification by Debtor's Attorney  
☒ Part D: Debtor's Statement in Support  
of Reaffirmation Agreement

**Name of Creditor: American General Financial Services**

☐ *[Check this box if]* Creditor is a Credit Union as defined in §19(b)(1)(a)(iv) of the Federal Reserve Act

**PART A: DISCLOSURE STATEMENT, INSTRUCTIONS AND NOTICE TO DEBTOR**

**1. DISCLOSURE STATEMENT**

*Before Agreeing to Reaffirm a Debt, Review These Important Disclosures:*

**SUMMARY OF REAFFIRMATION AGREEMENT**

This Summary is made pursuant to the requirements of the Bankruptcy Code.

**AMOUNT REAFFIRMED**

The amount of debt you have agreed to reaffirm:

**\$758.14**

*The amount of debt you have agreed to reaffirm includes all fees and costs (if any) that have accrued as of the date of this disclosure. Your credit agreement may obligate you to pay additional amounts which may come due after the date of this disclosure. Consult your credit agreement.*

**ANNUAL PERCENTAGE RATE**

*[The annual percentage rate can be disclosed in different ways, depending on the type of debt.]*

a. If the debt is an extension of "credit" under an "open end credit plan," as those terms are defined in § 103 of the Truth in Lending Act, such as a credit card, the creditor may disclose the annual percentage rate shown in (i) below or, to the extent this rate is not readily available or not applicable, the simple interest rate shown in (ii) below, or both.

(i) The Annual Percentage Rate disclosed, or that would have been disclosed, to the debtor in the most recent periodic statement prior to entering into the reaffirmation agreement described in Part B below or, if no such periodic statement was given to the debtor during the prior six months, the annual percentage rate as it would have been so disclosed at the time of the disclosure statement: 14.76%.

— And/Or ---

(ii) The simple interest rate applicable to the amount reaffirmed as of the date this disclosure statement is given to the debtor: 14.76%. If different simple interest rates apply to different balances included in the amount reaffirmed, the amount of each balance and the rate applicable to it are:

\$ \_\_\_\_\_ @ \_\_\_\_\_ %;  
\$ \_\_\_\_\_ @ \_\_\_\_\_ %;  
\$ \_\_\_\_\_ @ \_\_\_\_\_ %.

b. If the debt is an extension of credit other than under than an open end credit plan, the creditor may disclose the annual percentage rate shown in (i) below, or, to the extent this rate is not readily available or not applicable, the simple interest rate shown in (ii) below, or both.

(i) The Annual Percentage Rate under §128(a)(4) of the Truth in Lending Act, as disclosed to the debtor in the most recent disclosure statement given to the debtor prior to entering into the reaffirmation agreement with respect to the debt or, if no such disclosure statement was given to the debtor, the annual percentage rate as it would have been so disclosed: 14.76%.

— And/Or ---

(ii) The simple interest rate applicable to the amount reaffirmed as of the date this disclosure statement is given to the debtor: 14.76%. If different simple interest rates apply to different balances included in the amount reaffirmed,

the amount of each balance and the rate applicable to it are:

\$ \_\_\_\_\_ @ \_\_\_\_\_ %;  
\$ \_\_\_\_\_ @ \_\_\_\_\_ %;  
\$ \_\_\_\_\_ @ \_\_\_\_\_ %.

c. If the underlying debt transaction was disclosed as a variable rate transaction on the most recent disclosure given under the Truth in Lending Act:

The interest rate on your loan may be a variable interest rate which changes from time to time, so that the annual percentage rate disclosed here may be higher or lower.

d. If the reaffirmed debt is secured by a security interest or lien, which has not been waived or determined to be void by a final order of the court, the following items or types of items of the debtor's goods or property remain subject to such security interest or lien in connection with the debt or debts being reaffirmed in the reaffirmation agreement described in Part B.

<u>Item or Type of Item</u>	<u>Original Purchase Price or Original Amount of Loan</u>
2000 Chevrolet 3500 pickup truck	\$758.14

*Optional---At the election of the creditor, a repayment schedule using one or a combination of the following may be provided:*

**Repayment Schedule:**

Your first payment in the amount of \$\_\_\_\_\_ is due on \_\_\_\_\_ (date), but the future payment amount may be different. Consult your reaffirmation agreement or credit agreement, as applicable.

---Or---

Your payment schedule will be: 2 (number) payments in the amount of \$287.86 (and 1 payments in the amount of \$182.42, payable (monthly, annually, weekly, etc.) on the 3rd (day) of each month (week, month, etc.), unless altered later by mutual agreement in writing.

---Or---

A reasonably specific description of the debtor's repayment obligations to the extent known by the creditor or creditor's representative.

## 2. INSTRUCTIONS AND NOTICE TO DEBTOR

**Reaffirming a debt is a serious financial decision.** The law requires you to take certain steps to make sure the decision is in your best interest. If these steps are not completed, the reaffirmation agreement is not effective, even though you have signed it.

1. Read the disclosures in this Part A carefully. Consider the decision to reaffirm carefully. Then, if you want to reaffirm, sign the reaffirmation agreement in Part B (or you may use a separate agreement you and your creditor agree on).

2. Complete and sign Part D and be sure you can afford to make the payments you are agreeing to make and have received a copy of the disclosure statement and a completed and signed reaffirmation agreement.

3. If you were represented by an attorney during the negotiation of your reaffirmation agreement, the attorney must have signed the certification in Part C.

4. If you were not represented by an attorney during the negotiation of your reaffirmation agreement, you must have completed and signed Part E.

5. The original of this disclosure must be filed with the court by you or your creditor. If a separate reaffirmation agreement (other than the one in Part B) has been signed, it must be attached.

6. If the creditor is not a Credit Union and you were represented by an attorney during the negotiation of your reaffirmation agreement, your reaffirmation agreement becomes effective upon filing with the court unless the reaffirmation is presumed to be an undue hardship as explained in Part D. If the creditor is a Credit Union and you were represented by an attorney during the negotiation of your reaffirmation agreement, your reaffirmation agreement becomes effective upon filing with the court.

7. If you were not represented by an attorney during the negotiation of your reaffirmation agreement, it will not be effective unless the court approves it. The court will notify you and the creditor of the hearing on your reaffirmation agreement. You must attend this hearing in bankruptcy court where the judge will review your reaffirmation agreement. The bankruptcy court must approve your reaffirmation agreement as consistent with your best interests, except that no court approval is required if your reaffirmation agreement is for a consumer debt secured by a mortgage, deed of trust, security deed, or other lien on your real property, like your home.

## **YOUR RIGHT TO RESCIND (CANCEL) YOUR REAFFIRMATION AGREEMENT**

You may rescind (cancel) your reaffirmation agreement at any time before the bankruptcy court enters a discharge order, or before the expiration of the 60-day period that begins on the date your reaffirmation agreement is filed with the court, whichever occurs later. To rescind (cancel) your reaffirmation agreement, you must notify the creditor that your reaffirmation agreement is rescinded (or cancelled).

### **Frequently Asked Questions:**

What are your obligations if you reaffirm the debt? A reaffirmed debt remains your personal legal obligation. It is not discharged in your bankruptcy case. That means that if you default on your reaffirmed debt after your bankruptcy case is over, your creditor may be able to take your property or your wages. Otherwise, your obligations will be determined by the reaffirmation agreement which may have changed the terms of the original agreement. For example, if you are reaffirming an open end credit agreement, the creditor may be permitted by that agreement or applicable law to change the terms of that agreement in the future under certain conditions.

Are you required to enter into a reaffirmation agreement by any law? No, you are not required to reaffirm a debt by any law. Only agree to reaffirm a debt if it is in your best interest. Be sure you can afford the payments you agree to make.

What if your creditor has a security interest or lien? Your bankruptcy discharge does not eliminate any lien on your property. A "lien" is often referred to as a security interest, deed of trust, mortgage or security deed. Even if you do not reaffirm and your personal liability on the debt is discharged, because of the lien your creditor may still have the right to take the security property if you do not pay the debt or default on it. If the lien is on an item of personal property that is exempt under your State's law or that the trustee has abandoned, you may be able to redeem the item rather than reaffirm the debt. To redeem, you make a single payment to the creditor equal to the current value of the security property, as agreed by the parties or determined by the court.

**NOTE:** When this disclosure refers to what a creditor "may" do, it does not use the word "may" to give the creditor specific permission. The word "may" is used to tell you what might occur if the law permits the creditor to take the action. If you have questions about your reaffirming a debt or what the law requires, consult with the attorney who helped you negotiate this agreement reaffirming a debt. If you don't have an attorney helping you, the judge will explain the effect of your reaffirming a debt when the hearing on the reaffirmation agreement is held.

Form 240A - (Parts A, B, C, & D of Director's  
Procedural Forms) Reaffirmation Agreement (1/07)  
Revised to Local Form on 12/20/07

**PART B: REAFFIRMATION AGREEMENT.**

I (we) agree to reaffirm the debts arising under the credit agreement described below.

1. Brief description of credit agreement:

Note and Security Agreement dated May 22, 2000 in the amount of \$42,302.09  
secured by real property located in Marshall County, MS.

2. Description of any changes to the credit agreement made as part of this reaffirmation  
agreement:

SIGNATURE(S):

Borrower:

Accepted by creditor:

KENNETH DOWNING  
(Print Name)

American General Financial Services  
(Printed Name of Creditor)

Kenneth Downing  
(Signature)

8230 Camp Creek Blvd., Suite 105

Olive Branch, MS 38654  
(Address of Creditor)

Date: \_\_\_\_\_

[Signature]  
(Signature)

Co-borrower, if also reaffirming these debts:

Pamela Downing  
(Print Name)

J. Simpson  
(Printed Name and Title of Individual  
Signing for Creditor)

Pamela Downing  
(Signature)

Date of creditor acceptance:  
3-5-2008

Date: \_\_\_\_\_

Form 240A - (Parts A, B, C, & D of Director's  
Procedural Forms) Reaffirmation Agreement (1/07)  
Revised to Local Form on 12/20/07

**PART C: CERTIFICATION BY DEBTOR'S ATTORNEY (IF ANY).**

*[To be filed only if the attorney represented the debtor during the course of negotiating this agreement.]*

☒ I hereby certify that (1) this agreement represents a fully informed and voluntary agreement by the debtor; (2) this agreement does not impose an undue hardship on the debtor or any dependent of the debtor; and (3) I have fully advised the debtor of the legal effect and consequences of this agreement and any default under this agreement.

☐ *[Check box, if applicable and the creditor is not a Credit Union.]* A presumption of undue hardship has been established with respect to this agreement. In my opinion, however, the debtor is able to make the required payment.

Printed Name of Debtor's Attorney: \_\_\_\_\_

Signature of Debtor's Attorney: KB Schmitt

Date: \_\_\_\_\_

Form 240A - (Parts A, B, C, & D of Director's  
Procedural Forms) Reaffirmation Agreement (1/07)  
Revised to Local Form on 12/20/07

## PART D: DEBTOR'S STATEMENT IN SUPPORT OF REAFFIRMATION AGREEMENT

*[Read and complete sections 1 and 2, **OR**, if the creditor is a Credit Union and the debtor is represented by an attorney, read section 3. Sign the appropriate signature line(s) and date your signature. If you complete sections 1 and 2 **and** your income less monthly expenses does not leave enough to make the payments under this reaffirmation agreement, check the box at the top of page 1 indicating "Presumption of Undue Hardship." Otherwise, check the box at the top of page 1 indicating "No Presumption of Undue Hardship"]*

1. I believe this reaffirmation agreement will not impose an undue hardship on my dependents or me. I can afford to make the payments on the reaffirmed debt because my monthly income (take home pay plus any other income received) is \$\_\_\_\_\_, and my actual current monthly expenses including monthly payments on post-bankruptcy debt and other reaffirmation agreements total \$\_\_\_\_\_, leaving \$\_\_\_\_\_ to make the required payments on this reaffirmed debt.

I understand that if my income less my monthly expenses does not leave enough to make the payments, this reaffirmation agreement is presumed to be an undue hardship on me and must be reviewed by the court. However, this presumption may be overcome if I explain to the satisfaction of the court how I can afford to make the payments here: \_\_\_\_\_

(Use an additional page if needed for a full explanation.)

2. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and signed reaffirmation agreement.

Signed: Kenneth Downing  
(Debtor)  
Pamela Downing  
(Joint Debtor, if any)

Date: \_\_\_\_\_

— Or —

*[If the creditor is a Credit Union and the debtor is represented by an attorney]*

3. I believe this reaffirmation agreement is in my financial interest. I can afford to make the payments on the reaffirmed debt. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and signed reaffirmation agreement.

Signed: Kenneth Downing  
(Debtor)  
Pamela Downing  
(Joint Debtor, if any)

Date: \_\_\_\_\_



AMERICAN  
GENERAL  
FINANCIAL SERVICES

DATE 02/26/04	ACCOUNT NUMBER 35401839	TYPE OF LOAN (alpha) R 00
LENDER/SECURED PARTY NAME AND ADDRESS ("Lender") AMERICAN GENERAL FINANCIAL SERVICES, INC. 7139 COMMERCE DR STE 1A OLIVE BRANCH, MS 38654-2114		
BORROWER(S) NAME AND ADDRESS ("Borrower") KARENTH A DOWNING 356 HOLIDAY DR BRYALIA, MS 38611		

I will read this entire Loan Agreement and Disclosure Statement ("Agreement") and all related documents carefully. If I have any questions, I will ask them before I sign any of these documents. By signing, I am indicating my agreement to the statements, promises, terms, and conditions contained in the documents I sign.

TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE	14.76 %
FINANCE CHARGE	\$ 3454.20
AMOUNT FINANCED	\$ 10388.30
TOTAL OF PAYMENTS	\$ >13842.50

My Payment Schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
1	\$ 313.08	04/03/04
47	\$ 287.86	Monthly beginning 05/03/04

LATE CHARGE: ☒ If any payment is not paid in full within 10 days after its due date, I will be charged 5.00% of the unpaid amount of the payment, but not more than \$ 5.00, or less than \$ N/A

☐ If any payment is not paid in full within \_\_\_\_\_ days after its due date, I will be charged \$ \_\_\_\_\_ if the entire scheduled payment exceeds \$ \_\_\_\_\_ or \$ \_\_\_\_\_ if the entire scheduled payment is \$ \_\_\_\_\_ or less

PREPAYMENT: If I pay off early:

☐ I may have to pay a penalty or minimum charge.  
☒ I will not get a refund or credit of part of the finance charge.

SECURITY: I am giving Lender a security interest in:

☐ Real estate located at:

☒ Motor Vehicle

Year	Make	Model	Vehicle Identification No.
2000	CHEVROLET	C3500 PICK	1GCGC33R9YF424786

☐ Other Assets Description

☐ Other

☐ Address

☐ Household items described on the Personal Property Appraisal Form, which I have signed and which has been delivered to me with the Agreement.

ASSURANCE: Someone buying my home, if it secures this loan, may not assume the responsibility of this loan on the original terms unless approved by Lender.

☐ My loan contains a variable-rate feature. Disclosures about the variable-rate feature have been provided to me earlier.

See the remainder of this Agreement for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties, if any.

THIS AGREEMENT IS SUBJECT TO THE FEDERAL ARBITRATION ACT

By signing below, I acknowledge receipt of a copy of this Federal Disclosure Statement.

Borrower  
Karenth A Downing

Co-Borrower  
Tanya J Downing

SEE REVERSE SIDE FOR ADDITIONAL DISCLOSURES

USA-1 (04-13-03) Agreement (1-2)

Page 1

ITEMIZATION OF AMOUNT FINANCED

Amount paid to others on my behalf

1. \$ 184.30	Single Life Premium	PAID TO LIFE INSURANCE COMPANY *
2. \$ NONE		PAID TO
3. \$ NONE		PAID TO
4. \$ NONE		PAID TO
5. \$ NONE		PAID TO
6. \$ NONE		PAID TO
7. \$ NONE		PAID TO
8. \$ NONE		PAID TO
9. \$ NONE		PAID TO
10. \$ NONE		PAID TO
11. \$ NONE		PAID TO
12. \$ 4.00	HV Certificate of Title Fee	PAID TO GOVERNMENT AGENCY
13. \$ NONE		PAID TO
14. \$ NONE		PAID TO
15. \$ NONE		PAID TO
16. \$ NONE		PAID TO
17. \$ NONE		PAID TO
18. \$ NONE		PAID TO
19. \$ NONE		PAID TO
20. \$ NONE		PAID TO
21. \$	PAID TO	
22. \$	PAID TO	
23. \$	PAID TO	
24. \$	PAID TO	
25. \$	PAID TO	
26. \$	PAID TO	
27. \$	PAID TO	
28. \$	PAID TO	
29. \$	PAID TO	
30. \$	PAID TO	
31. \$	PAID TO	
32. \$	PAID TO	
33. \$	PAID TO	
34. \$	PAID TO	
35. \$	PAID TO	
36. \$	PAID TO	
37. \$	PAID TO	
38. \$	PAID TO	
39. \$	PAID TO	
40. \$	PAID TO	
41. \$	PAID TO	
42. \$	PAID TO	
43. \$	PAID TO	
44. \$	PAID TO	
45. \$	PAID TO	

Amount Paid on Prior Account with Lender

46. \$ NONE

\* Lender may retain a portion of these amounts.

Amounts Paid to me

47. \$ 9500.00	PAID TO KENNETH AND PAMELLA DOWNING
48. \$	PAID TO
49. \$	PAID TO
50. \$	PAID TO
51. \$	PAID TO
52. \$	PAID TO
53. \$	PAID TO
54. \$	PAID TO
55. \$	PAID TO
56. \$	PAID TO

\$ 10388.30 Amount Financed (Sum of lines 1 - 66)

\$ 50.00 Prepaid Finance Charges (itemized below)

PREPAID FINANCE CHARGES

1. \$ 50.00	Points	PAID TO LENDER
2. \$ NONE		PAID TO
3. \$ NONE		PAID TO
4. \$ NONE		PAID TO
5. \$ NONE		PAID TO
6. \$ NONE		PAID TO
7. \$ NONE		PAID TO
8. \$ NONE		PAID TO
9. \$ NONE		PAID TO
10. \$ NONE		PAID TO
11. \$ NONE		PAID TO
12. \$ NONE		PAID TO
13. \$ NONE		PAID TO
14. \$ NONE		PAID TO
15. \$ NONE		PAID TO

SEE NEXT PAGE FOR IMPORTANT INFORMATION

Initials KD PJD

### ARBITRATION AGREEMENT AND WAIVER OF JURY TRIAL

**DESCRIPTION OF ARBITRATION.** Arbitration is a method of resolving claims and disputes between parties without having to file a lawsuit in court. It is a process in which both sides present their case to a neutral third person—the arbitrator—instead of a judge or jury, to resolve the dispute. **TO THE FULLEST EXTENT PERMITTED BY LAW, BY SIGNING THIS AGREEMENT, BOTH LENDER AND I ARE VOLUNTARILY WAIVING ANY RIGHT TO A JURY TRIAL OR JUDGE TRIAL OF ALL CLAIMS AND DISPUTES COVERED BY THIS ARBITRATION AGREEMENT ("this Arbitration Agreement").**

**CLAIMS AND DISPUTES COVERED.** Except for those claims mentioned below under the heading "MATTERS NOT COVERED BY ARBITRATION," Lender and I agree that either party may elect to resolve by BINDING ARBITRATION all claims and disputes between us ("Covered Claims"). This includes, but is not limited to, all claims and disputes arising out of, in connection with, or relating to:

My loan from Lender today; any previous loan from Lender and any previous retail credit agreement ("Retail Contract") whether open or closed-end, assigned to Lender; all documents, promotions, advertising, actions, or omissions relating to this or any previous loan or Retail Contract made by or assigned to Lender; any insurance product, service contract, or warranty purchased in connection with this or any previous loan or Retail Contract made by or assigned to Lender; any product or service offered to Lender's customers with any assistance or involvement by Lender; whether the claim or dispute must be arbitrated: the validity and enforceability of this Arbitration Agreement and the Agreement, my understanding of them, or any defenses as to the validity and enforceability of the Agreement and this Arbitration Agreement; any negotiations between Lender and me; the closing, servicing, collecting, or enforcement of any transaction covered by this Agreement; any allegation of fraud or misrepresentation; any claim based on or arising under any federal, state, or local law, statute, regulation, ordinance, or rule; any claim based on state or federal property laws; any claim based on the improper disclosure of any information protected under state or federal consumer privacy laws; any claim or dispute based on any alleged tort (wrong), including intentional torts; and any claim for injunctive, declaratory, or equitable relief.

**COVERED CLAIMS AGAINST THIRD PARTIES.** This Arbitration Agreement also covers any claim or dispute between me and any of Lender's employees, officers, agents, or directors; any of its affiliate corporations; any entities which provided insurance in connection with this or any previous transactions between me and Lender, any third parties that assigned Retail Contracts or other agreements to Lender, and any of the employees, officers, agents, or directors of such affiliates or third parties. Affiliate corporations are Lender's parent corporations, subsidiary corporations, and sister corporations. Some of Lender's affiliates are American General Finance Corporation, American General Financial Services, Inc., Merit Life Insurance Co., and Yosemite Insurance Company. In addition, if Lender becomes a party in any lawsuit that I have with any third party, whether through intervention by Lender or by motion made by me or any third party, all claims in that lawsuit between me and the third party will be subject to binding arbitration under this Agreement, provided that the third party is required to agree to resolve such claims by arbitration.

**MATTERS NOT COVERED BY ARBITRATION.** I agree that Lender does not have to initiate arbitration before exercising lawful self-help remedies or judicial remedies of garnishment, repossession, replevin, or foreclosure, but instead may proceed in court for those judicial remedies (an "Excluded Collateral Lawsuit"). I may assert in court any defenses I may have to Lender's claims in such a lawsuit, but any claim or counter claim for rescission or damages I may have arising out of, relating to, or in connection with Lender's exercise of those remedies must be arbitrated. Instead of pursuing arbitration, either Lender or I also have the option to bring a lawsuit in court to seek to recover an amount which does not exceed the total sum of \$5,000.00 (including costs and attorneys' fees), provided that no relief other than such recovery is requested in such lawsuit (an "Excluded Damages Lawsuit"). If an Excluded Damages Lawsuit is filed, the other party cannot require that the claims in that lawsuit be arbitrated. An Excluded Damages Lawsuit can be brought to recover money for myself or Lender only, not for any class or group of persons having similar claims. If such an Excluded Damages Lawsuit is filed by me or Lender, and any party to that lawsuit files an amendment, counterclaim, cross-claim, or third-party claim seeking to recover more than \$5,000, then that claim, counterclaim, cross-claim, or third party claim must be arbitrated in accordance with the procedures set forth in this Arbitration Agreement. Neither I nor Lender shall be deemed to have waived any arbitration rights by the fact of having exercised any self-help or judicial remedies of garnishment, repossession, replevin, or foreclosure or by having filed any claims in court seeking to recover a total sum of \$5,000.00 or less.

### ARBITRATION RULES AND PROCEDURES.

**A. ARBITRATION FORUM AND RULES.** The arbitration will be conducted under the rules and procedures of the National Arbitration Forum ("NAF") that are in effect at the time arbitration is started and under the rules set forth in this Arbitration Agreement. At my request, Lender will provide me a copy of the NAF Rules. If I lose my copy, Lender will give me another one if I ask for it. I may also obtain a copy of those rules by calling NAF at 1-800-474-2371 or by reviewing NAF's web-site at [www.arb-forum.com](http://www.arb-forum.com). In the event that NAF is either unable, unwilling, or deemed not appropriate by a court to resolve a Covered Claim, or I object to the NAF for good cause, then Lender and I agree to submit all disputes to the American Arbitration Association ("AAA") for proceedings conducted pursuant to the AAA's Commercial Rules and Expedited Procedures. In the event that AAA is either unable, unwilling, or deemed not appropriate by a court to resolve a Covered Claim, or I object to the AAA for good cause, then Lender and I agree to submit all disputes to JAMS for proceedings conducted under its Financial Services Arbitration Rules and Procedures. If there is a conflict between the rules of the NAF (or the AAA or JAMS) and this Arbitration Agreement, this Arbitration Agreement will govern.

**B. SELECTION OF ARBITRATOR.** NAF maintains lists of approved arbitrators. NAF will provide Lender and me each a list of seven (7) possible arbitrators. Lender and I will each have an opportunity to strike three (3) persons from that list. I will make the first strike, and Lender and I will alternate in making strikes after that. After the last strike, the remaining person shall then serve as arbitrator.

**C. STARTING ARBITRATION.** Before I start arbitration, I agree to write to Lender at the address shown for Lender in this Agreement, unless I have received notice of a new address for Lender, and I agree to give Lender a reasonable opportunity to respond and resolve any errors. In my letter, I will give the following information: my name and account number, a description of my claim or dispute and why I believe Lender has made an error, the dollar amount of my claim or dispute, and a description of any other information I need from Lender. Before Lender starts an arbitration, it must write to me at my billing address; describe its claim or dispute; state the dollar amount of its claim or dispute; and give me a reasonable opportunity to resolve the claim or dispute. If a Covered Claim cannot be resolved in the foregoing manner, either Lender or I can start arbitration. Except as described in Paragraph E below, nothing in this Arbitration Agreement shall limit the arbitrator's ability to enforce any of my rights or impose any remedies available to me under any applicable consumer protection laws or regulations. To start an arbitration, Lender and I agree to follow the rules of the NAF (or, if applicable, the rules of the AAA or JAMS).

**D. COSTS OF ARBITRATION.** The NAF, AAA, and JAMS all charge certain fees in connection with arbitration proceedings they conduct. I may have to bear some of these fees; however, if I am not able to pay such fees or think they are too high, Lender will consider any reasonable request to bear the cost. Lender will also bear any costs Lender is required to bear by law or the terms of any other agreement with me. Each party will also pay for its own costs, including fees for attorneys, experts, and witnesses, unless otherwise provided by law or by the terms of any other agreement between the parties, to the extent permitted by applicable law.

**E. CONDUCT OF PROCEEDINGS.** In conducting the arbitration proceedings, the arbitrator shall be bound by the Federal Rules of Evidence; however, the federal or any state rules of procedure or discovery shall not bind the arbitrator. The arbitrator's findings, reasoning, decision, and award shall be set forth in writing and shall be based upon and be consistent with the law of the jurisdiction that applies to this loan or other agreement between Lender and me. The arbitrator must abide by all applicable laws protecting the attorney-client privilege, the attorney work product doctrine, or any other applicable privileges.

SEE REVERSE SIDE FOR ADDITIONAL ARBITRATION TERMS

ARBITRATION AGREEMENT AND WAIVER OF JURY TRIAL (cont'd)

**DATE OF LOAN.** 02/26/04 (the date the Finance Charge is scheduled to begin to accrue).

**CONTRACT RATE.** 14.50 % per year, which is the agreed interest rate. If the "Adjustable Rate Loan" box is checked below, this rate is subject to change as set forth therein.

**PROMISE TO PAY.** For value received, I promise to pay to the order of the Lender all amounts due under this Agreement in accordance with the Payment Schedule set forth in the Truth in Lending Disclosure on page 1 of this Agreement, and with all other terms of this Agreement. If the "Adjustable Rate Loan" box is checked below, the payment amounts set forth in the Payment Schedule may change as set forth in this Agreement.

☐ **ADJUSTABLE RATE LOAN.** If this box is checked, I agree that the agreed interest rate I will pay may change on the Due Date of my payment and on that same date every \_\_\_\_\_ thereafter ("the Change Date"). If there is no corresponding date in any given month, the Change Date will be the last day of the month. (For example, if my first Change Date is January 31, my next Change Date will be April 30.) Beginning on the first Change Date, my interest rate will be based on an Index. The Index is the highest Prime Rate published in the Wall Street Journal's "Money Rates" table. If this Index should no longer be available, Lender will choose a comparable replacement Index and will inform me of the new Index.

Prior to each Change Date, Lender will calculate the new agreed interest rate by taking the Index as of 60 days prior to the Change Date and adding a margin of \_\_\_\_\_ percentage points. Lender will round the resulting figure down to the next lowest one-hundredth of one percent. Lender will then determine the new monthly payment amount necessary to repay my loan in full on the due date for the final payment.

My interest rate will never increase or decrease on any single Change Date by more than \_\_\_\_\_ percentage points from the agreed rate of interest in effect immediately preceding the Change Date. Any rate change not implemented as a result of this limitation may be carried over to the next Change Date. My interest rate will never be greater than \_\_\_\_\_ %, and my interest rate will never be lower than \_\_\_\_\_ %.

The new agreed interest rate will be effective as of the Change Date. The new monthly payment will be effective as of the next regularly scheduled due date subsequent to the Change Date. Lender will send me notice of all rate and payment changes as required by law.

**SECURITY AGREEMENT.** If any type of personal property (property other than real estate ("real property")) is disclosed in the "Security" section of the Truth in Lending Disclosures, to secure all amounts due or which become due under this Agreement and my performance of all other terms of this Agreement, I grant Lender a security interest under the Uniform Commercial Code or other applicable law in: (1) the property identified in the "Security" disclosure of the Truth in Lending Disclosures on page 1 of this Agreement; (2) any substitutions or replacements of that property; and (3) the proceeds and products of that property (collectively referred to as the "Collateral"). I also grant Lender a security interest in any unearned premiums from any insurance I have elected and purchased through Lender in connection with this transaction which protects the loan account or collateral (including, but not limited to, voluntary credit and personal property insurance). Lender's security interest shall remain in effect until I have paid in full all amounts due under this Agreement and any modifications, renewals, and extensions thereof. Notwithstanding any other provision of this Agreement, Lender is not granted, and will not have, a nonpurchase money security interest in household goods, to the extent such a security interest would be prohibited by applicable law. I authorize Lender to sign and file financing statements covering the Collateral without my signature. I authorize Lender to file a copy of this Agreement as a financing statement when appropriate. If real property is disclosed in the "Security" section of the Truth in Lending Disclosures, I am signing a mortgage or deed of trust covering the real property at the same time that I am signing this Agreement.

**JOINT BORROWERS.** If more than one Borrower is named above, all Borrowers agree that they are jointly and severally liable and that Lender may enforce this Agreement against all or any of them, but not in a combined amount exceeding the amount due.

**CO-MAKERS (also referred to as CO-SIGNER(S)).** If I am signing this Agreement as a Co-Maker, I understand that I am equally responsible with the Borrower(s). I agree that Lender may pursue me or any Maker if this Agreement is in default. Unless required by law, Lender will not notify me if: (a) this loan is in default; (b) Lender agrees to accept different payment terms; (c) Lender releases any security interest; or (d) Lender releases any Borrower(s) or Maker(s).

**CREDIT INFORMATION.** I authorize Lender to investigate my creditworthiness, including to obtain my credit report at anytime, as permitted by law.

**REQUIRED PROPERTY INSURANCE.** I agree to insure any automobiles, all terrain vehicles, snowmobiles, watercraft, other titled vehicles, large equipment, and dwellings and other structures attached to real property ("Property"), in which I have granted Lender an interest to secure my loan, against all risks of physical damage, including loss by fire and other hazards, for the term of the loan, in amounts and with deductibles approved by Lender ("Required Insurance"). Required Insurance must: (1) be issued by an insurer and have terms and conditions satisfactory to Lender; (2) name Lender as loss payee or mortgagee; (3) not permit the addition of any other loss payee or mortgagee to the insurance policy unless Lender consents in writing; (4) provide that such insurance will not be canceled or modified without at least 15 days prior written notice to the loss payee or mortgagee; and (5) not include any disclaimer of the insurer's liability for failure to give such notice. I may purchase Required Insurance from whomsoever is acceptable to Lender or provide existing coverage through any insurance company or agent of my choice that is acceptable to Lender. Lender does not sell Required Insurance. I agree to provide to Lender satisfactory proof of Required Insurance. I agree to keep Required Insurance in force until all amounts I owe Lender under this Agreement are paid in full. In the event of damage to or loss of the Property, I agree to give prompt notice to Lender and the insurance carrier. If I fail to promptly notify or make proof of loss to the insurance carrier, Lender may, but is not required to, do so on my behalf. I agree Lender may use any insurance proceeds to reduce any amounts I owe under this Agreement. To the extent permitted by law, I authorize Lender to adjust my losses and sign my name to any check, draft, or other papers necessary to obtain such insurance payments. If insurance proceeds paid to Lender do not pay off all amounts I owe Lender under this Agreement, I remain responsible for payment of the balance of any amounts due under this Agreement.

**LENDER PLACED INSURANCE.** If at any time I fail to buy or keep in force Required Insurance, Lender may, but is not required to, purchase Required Insurance at my expense to protect Lender's interest in the Property. I agree that Required Insurance may, but to the extent permitted by law, need not, protect my interests. The coverage purchased by Lender may not pay any claim I make. I agree that the cost of Required Insurance purchased by Lender may be much more than the cost of Required Insurance I could have obtained on my own, and I agree that the cost of such Required Insurance may, to the extent permitted by law, be added to my loan balance and accrue interest at the Contract Rate. I authorize Lender to release to third parties any information necessary to monitor the status of Required Insurance on my Property and to purchase Required Insurance required by this Agreement.

**VOLUNTARY CREDIT INSURANCE.** Lender's affiliate may provide the credit insurance that I voluntarily select. Lender and/or its affiliates expect to profit from my purchase of voluntary credit insurance, and I consent to this.

**ASSIGNMENT OF UNEARNED INSURANCE PREMIUMS AND POLICY PROCEEDS.** I, where authorized by law, hereby assign to Lender any moneys, not in excess of the unpaid balance of indebtedness which this instrument secures, which may become payable under any insurance I have elected and purchased through Lender in connection with this transaction which protects the loan account or collateral (including, but not limited to, voluntary credit and personal property insurance), including return of unearned premiums, and direct any insurance company to make payment directly to Lender to be applied to said unpaid indebtedness and I hereby appoint Lender as my attorney-in-fact to endorse any draft, check or other papers necessary to obtain such insurance payments.

**CORRECTION; RELEASE.** During the term of this Agreement, I agree to cooperate with Lender to: (a) correct any clerical errors that were made in connection with loan documents; (b) obtain the correct amounts due to others; and (c) release all liens upon payment in full. Lender may consider any breach of this requirement as an event of default of this Agreement.

**CANCELLATION.** Prior to the distribution of loan proceeds, Lender may withdraw its approval of or commitment to make this loan if Lender reasonably believes that: (a) there are material omissions or misrepresentations in connection with my credit application; (b) there is a material, adverse change in my creditworthiness; (c) there are additional liens on the right, title, or interest of any collateral to be used for this loan; or (d) a sale or transfer of any right, title, or interest in any collateral to be used for this loan has or will occur that is not agreed to by the Lender.

**SEVERABILITY.** The fact that any provision of this Agreement may prove invalid or unenforceable under any law, rule, or regulation of any federal, state, or local court or governmental entity shall not affect the validity or enforceability of the remaining provisions of this Agreement.

**NO ASSUMPTION.** This Agreement shall not be eligible for assumption by any party without the express written consent of Lender.

SEE REVERSE SIDE FOR ADDITIONAL INFORMATION

1. The undersigned hereby certifies that the undersigned is the owner of the property described in the foregoing and that the same is not subject to any lien or encumbrance of any kind, and that the undersigned is not aware of any such lien or encumbrance.

\_\_\_\_\_

lease or warranty, default or other period of time as is required by law.

By electing to opt out of these remedies, Lender does not waive its right to elect another remedy. By deciding not to use these remedies, Lender does not give up its right to consider it an event of default if it happens again. Lender's right to use these remedies is not exhausted.

Return to the sender if no forwarding address is given. Do not write on this envelope. Do not attach anything to this envelope. Do not staple, glue, or otherwise fasten anything to this envelope. Do not use this envelope for anything other than the purpose for which it was designed. Do not use this envelope for anything other than the purpose for which it was designed.

When I, the Lender, and Lender may sue me for these additional amounts.

☐ If this Collateral contains personal property, Lender may immediately immobilize, disable, or take possession of the Collateral

B. Lender may pay these obligations, or other loans, or make repaid to the Collateral if I have not done so, but Lender is not required to do so. Upon payment by Lender, these amounts will be due immediately and will accrue finance charges from the

המחיר הממוצע של המוצר הנמכר הוא 100 ש"ח. המחיר הממוצע של המוצר הנמכר הוא 100 ש"ח.

prospects for payment or reimbursement upon the Collection are impaired, unless prohibited by state law.

H. If the Collateral consists of personal property, I relocate to another state without giving written notice at least 30 days before

E. I do not become a guarantor, generally, nor do I agree to pay my debts as they become due, or become the subject of a voluntary or involuntary assignment for the benefit of creditors.

**SECRET**

\_\_\_\_\_

☐ **INTEREST BEARING LOAN.** If checked, I agree to pay Principal, plus interest ("finance charges") on the daily unpaid Principal balance computed at the Contract Rate, in the amounts and on or before the dates set forth in the Payment Schedule in the Truth in Lending Disclosures on page 1 herein, plus all other fees, charges, and other amounts due under this Agreement, at Lender's address set forth in this Agreement, unless otherwise notified, until paid in full. If the "Adjustable Rate Loan" box is checked above, the Contract Rate and the monthly payment amounts may change as set forth therein. All payments will be applied in the following order to: (a) late charges and other charges provided for in this Agreement or otherwise allowed by law; (b) interest; and (c) unpaid Principal. Because interest on my loan is earned daily, early payments will decrease the amount I owe, and late payments will increase that amount. The Payment Schedule assumes that I will make each payment on the day it is due; therefore, my final payment will be adjusted as appropriate to reflect any variation in the actual dates my payments are received by Lender. If any unpaid amounts remain due to Lender after my final scheduled payment due date, I agree to pay finance charges on these unpaid amounts, computed at the Contract Rate, until paid in full.

☒ **PRECOMPUTED LOAN.** If checked, I agree to pay the Total of Payments in the amounts and on the dates shown in the Payment Schedule in the Truth in Lending Disclosures on page 1 hereof, plus all other fees, charges, and other amounts due under this Agreement, at Lender's address set forth in this Agreement, unless otherwise notified, until paid in full. If any unpaid amounts remain due to Lender after my final scheduled payment due date, I agree to pay interest on these unpaid amounts, computed at the Contract Rate, until paid in full.

**PRINCIPAL.** Principal (also called "State Amount Financed") is the total of the Amount Financed, plus any Prepaid Finance Charges that I have financed. Total Principal is \$ 10438.30.

**INTEREST.** The amount of interest in accordance with scheduled payments is \$ 3404.20 ("State Finance Charge").

☐ **BALLOON PAYMENT.** If checked, my last scheduled payment is larger than my regular scheduled payments ("Balloon Payment"). I agree that, unless Lender has agreed to refinance my Balloon Payment, I must pay the full amount of my Balloon Payment from my own resources or by refinancing my loan with another lender on or before the due date of my Balloon Payment.

**PREPAYMENT REFUND.** I may prepay all or any part of my loan at any time, subject to the payment of the penalty (if any) described below. The Prepaid Finance Charges are deemed by the parties to be fully earned on the Date of Loan and are not refundable, to the extent permitted by applicable law.

If my loan is a Precomputed Loan and I prepay in full, the amount I owe will be reduced by any unearned finance charges, computed by: (a) if the term of this Agreement is sixty-one (61) months or less and this loan is not governed by § 226.32 of Regulation Z, which implements the Home Ownership and Equity Protection Act, the Rule of 78s method, as provided by § 75-87-127, Mississippi Code of 1972; or (b) if the term of this Agreement is more than sixty-one (61) months or is governed by § 226.32, the actuarial method. No refund of less than \$1.00 will be made.

**LATE CHARGE.** I agree to pay any late charge described in the Truth in Lending Disclosures herein.

**DEFERMENT CHARGE.** If my loan is a Precomputed Loan, Lender and I may agree to defer the due dates of one or more remaining scheduled payments, and I agree to pay a deferment charge as permitted by § 75-87-120, Mississippi Code of 1972. I will not have to pay a late charge on any deferred payment.

**DISHONORED CHECK CHARGE.** If my check or other instrument given to Lender is returned unpaid for any reason, I agree to pay a dishonored check charge of \$ 15.00.

**PREPAYMENT PENALTY.**

☒ If checked, there will be no prepayment penalty.

☐ If checked, and I prepay the loan in full at any time less than 60 months from the Date of Agreement, I agree to pay a prepayment penalty of:

- (a) 5% of the unpaid Principal if prepayment in full occurs prior to twelve (12) months from the Date of Agreement;
- (b) 4% of the unpaid Principal if prepayment in full occurs on or after twelve (12) months from the Date of Agreement, but prior to twenty-four (24) months from the Date of Agreement; or
- (c) 3% of the unpaid Principal if prepayment in full occurs on or after twenty-four (24) months from the Date of Agreement, but prior to thirty-six (36) months from the Date of Agreement; or
- (d) 2% of the unpaid Principal if prepayment in full occurs on or after thirty-six (36) months from the Date of Agreement, but prior to forty-eight (48) months from the Date of Agreement; or
- (e) 1% of the unpaid Principal if prepayment in full occurs on or after forty-eight (48) months from the Date of Agreement but prior to sixty (60) months from the Date of Agreement.

There will be no prepayment penalty if:

- (a) this loan is refinanced or consolidated by Lender or its affiliate;
- (b) this loan is prepaid with insurance proceeds;
- (c) this loan is prepaid as a result of lawsuit, foreclosure, or acceleration;
- (d) Lender disapproves a request for assumption and exercises its rights under a due on sale clause, and imposition of the prepayment penalty is prohibited by applicable law; or
- (e) this loan is prepaid more than 60 months from the Date of Agreement.

**DEFAULT COSTS.** In the event of default, I agree to pay Lender's (a) court costs, (b) reasonable attorney's fees, and (c) costs to realize on any security interest, each if and to the extent permitted by applicable law.

**GOVERNING LAW.** The laws of the State of Mississippi shall govern this Agreement, except as preempted by federal law.

PLEASE SEE IMPORTANT INFORMATION ON REVERSE

KD PRJ





CERTIFICATE OF TITLE

STATE OF MISSISSIPPI

VEHICLE REGISTRATION NUMBER  
1G0C033N9VF424786  
TITLE DATE  
04222004  
MAKE  
CHEV  
YEAR  
2000  
MODEL  
G33  
BODY  
CN  
TYPE OF VEHICLE  
TRUCK  
ORIGINAL

DEAN, KENNETH  
356 1ST DAY DR  
BYHALL  
MS 38611  
ACTUAL MILEAGE  
10000  
02/26/2004

AMERICAN GENERAL FINANCE INC  
7139 COMMERCE DR SUITE 1-A  
OLIVE BRANCH MS 38634

USE ADDITIONAL

SEE DISCOUNTED ORDER OF ABOVE REGISTERED VEHICLE ON THE ACTION VEHICLE DOCUMENT HEREON - CREDIT AS INDICATED ABOVE THIS PAGE

DATE OF SALE  
22 APRIL 2004  
DAY OF  
20  
BY  
STATE EX COMMISSIONER



IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND THIS  
22 APRIL 2004  
04110611008  
STATE EX COMMISSIONER  
CHAIKIN

VOID IF ALTERED